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BEFORE THE  
**SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 34785

**READING BLUE MOUNTAIN AND NORTHERN RAILROAD COMPANY**

**- OPERATION EXEMPTION -**

**LOCUST VALLEY LINE**

\_\_\_\_\_  
**VERIFIED NOTICE OF EXEMPTION  
UNDER 49 U.S.C. §10902**

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**REQUEST FOR WAIVER OF  
NOTICE REQUIREMENTS OF  
49 CFR §1150.41(e)  
(Expedited Consideration Requested)**

**FILED**

NOV 30 2005

**SURFACE  
TRANSPORTATION BOARD**

**FEE RECEIVED**

NOV 30 2005

**SURFACE  
TRANSPORTATION BOARD**

**ENTERED  
Office of Proceedings  
NOV 30 2005  
Part of  
Public Record**

ERIC M. HOCKY  
GOLLATZ, GRIFFIN & EWING, P.C.  
Four Penn Center, Suite 200  
1600 John F. Kennedy Blvd.  
Philadelphia, PA 19103-2808  
(215) 563-9400

Attorneys for  
Reading Blue Mountain and Northern Railroad  
Company

Dated: November 29, 2005

BEFORE THE  
SURFACE TRANSPORTATION BOARD  
STB FINANCE DOCKET NO. 34785



**READING BLUE MOUNTAIN AND NORTHERN RAILROAD COMPANY  
- OPERATION EXEMPTION -  
LOCUST VALLEY LINE**

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**VERIFIED NOTICE OF EXEMPTION  
UNDER 49 U.S.C. §10902**

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**REQUEST FOR WAIVER OF  
NOTICE REQUIREMENTS OF  
49 CFR §1150.41(e)  
(Expedited Consideration Requested)**

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This Verified Notice is filed pursuant to 49 C.F.R. §1150.41 by a Class III carrier, Reading Blue Mountain and Northern Railroad Company ("RBMN"), to exempt from regulation under 49 U.S.C. §10902 its operation of the line of railroad (the "Rail Line") owned by Locust Valley Coal Company d/b/a Locust Valley Line ("Locust Valley") between milepost 0.0 at Laurel Jct. (also known as Morea Jct.) in Delano Township, and milepost 5.5 beyond Newton Jct., just south of Mahanoy City, Schuylkill County, Pennsylvania, as shown on the map attached as Exhibit A. The total mileage of the Rail Line to be acquired and operated is approximately five miles. This Verified Notice is related to the notice filed by Locust Valley to "acquire" the Rail Line. *See Locust Valley Coal Company d/b/a Locust Valley Line - Acquisition Exemption - Rail Lines in Schuylkill County, PA*, STB Finance Docket No. 34642 (served January 21, 2005).

### Notice

In accordance with 49 C.F.R. §1150.43, RBMN hereby states as follows:

- (a) The full name and address of Applicant are: Reading Blue Mountain and Northern Railroad Company, 1 Railroad Blvd., Port Clinton, PA 19549.
- (b) The name, address and telephone number of the representative of RBMN who should receive correspondence are: Eric M. Hocky, Esquire, Gollatz, Griffin & Ewing, P.C., Four Penn Center, Suite 200, 1600 John F. Kennedy Blvd., Philadelphia, PA 19103-2808; (215) 563-9400.
- (c) RBMN and Locust Valley have entered into an operating agreement to govern RBMN's operations over the Rail Line.
- (d) There is no current operator of the Rail Line. The Rail Line is a line of railroad that has been out of service since approximately 1976, but which has recently been rehabilitated by Locust Valley. (RBMN has previously operated over the northern mile of the Rail Line as a spur to serve a single customer located along the line.)
- (e) Brief Summary of the Proposed Transaction:

Locust Valley has taken an out of service Rail Line and rehabilitated it in order to restore service over the Rail Line. RBMN, an existing experienced carrier whose rail lines connect with the Rail Line, has agreed to operate the Rail Line and to provide all of the common carrier freight operations over the Rail Line. There is currently no business on the Rail Line. RBMN is filing at this time because the rehabilitation has been completed, and it wants to be able to provide service as soon as business is developed.
- (1) Locust Valley, a non-operating rail carrier, 300 Industrial Park Road, St. Clair, PA 17970, has entered into an operating agreement with RBMN.

(2) RBMN expects to commence operation of the Rail Line on or after January 1, 2006, or upon the granting of the request for waiver, whichever is later.

(3) The mileposts of the Rail Line are between milepost 0.0 at Laurel Jct. (also known as Morea Jct.) in Delano Township, and milepost 5.5 beyond Newton Jct., just south of Mahanoy City, in Schuylkill County, Pennsylvania.

(4) The total mileage to be acquired and operated is approximately five miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.

(g) RBMN certifies that its projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier.

(h) RBMN certifies that its total annual revenues after the transaction will exceed \$5,000,000. Because this is a start up operation, and because the owner of the Rail Line is not an operating carrier and has no employees, RBMN is requesting a waiver of the notice requirements of 49 CFR §1150.41(c). *See* discussion below.

### **Environmental and Historic Reports**

There is no current demand for service. Operations will begin once business has been developed. RBMN expects to initially offer service twice a week, but frequency of service will be based on the needs of the customers. Volumes are expected to be modest to start (less than five cars per switch).

Pursuant to 49 C.F.R. §1105.6(c)(2), no environmental documentation should be required because this proceeding involves authority for a contract for continued operations that will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5).

No historic report under 49 C.F.R. §1105.8(b)(1) should be required because the transaction merely involves a lease for continued rail operations, and further Board approval is required to discontinue or abandon any service. RBMN has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

### **Labor Protection**

RBMN is a Class III carrier, and pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions.

### **Caption Summary**

Attached hereto as Exhibit B is the caption summary required by 49 C.F.R. §1150.44.

### **Request for Waiver of Notice Requirements of 49 CFR §1150.41(e)**

RBMN is a Class III carrier with annual revenues in excess of \$5,000,000. Under the Board's regulations at 49 CFR §1150.41(e), RBMN would be required to give sixty days notice to employees working on the line (and the national offices of their collective bargaining representatives). The Board has held: "The purpose of 49 CFR 1150.42(e) is to ensure that rail labor unions and employees who would be affected by the transfer of a line are given sufficient notice of the transaction before consummation." *Belt Line Division of Tacoma Public Utilities--Operation Exemption--In Pierce, Thurston and Lewis Counties, WA*, STB Finance Docket No. 33666 (served October 30, 1998) at 2. *See also Acquisition of Rail Lines under 49 U.S.C. 10901 and 10902 - Advance Notice of Proposed Transactions*, 2 STB 592 (1997).

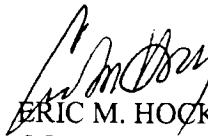
In this instance, RBMN should not be required to comply with the requirements of Section 1150.41(e) because there are no employees working on the Rail Line. The Rail Line has been out of service for over 25 years, and has been rehabilitated by the non-operating owner of the Rail Line. *See Locust Valley Coal Company d/b/a Locust Valley Line - Acquisition Exemption - Rail Lines in Schuylkill County, PA*, STB Finance Docket No. 34642 (served January 21, 2005).<sup>1</sup> Since there are no employees working on the Rail Line, there is no workplace to post any notice, and there are no labor unions to be notified. Thus, under the circumstances of this transaction, compliance with the notice requirements will not further the purposes of the rule and should be waived. Granting RBMN a waiver would be consistent with the other limited circumstances in which the Board has granted waivers from the labor notice requirements. *See Georgia Central Railway, L.P. - Acquisition and Operation Exemption - Rail Line of CSX Transportation, Inc.*, STB Finance Docket No. 34660 (served February 28, 2005); *Lancaster and Chester Railway Company - Acquisition and Operation Exemption - Norfolk Southern Railway Company*, STB Finance Docket No. 34334 (served April 28, 2003).

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<sup>1</sup> Locust Valley used independent contractors to do the rehabilitation work.

Rehabilitation of the Rail Line has been completed, and RBMN would, except for the notice requirements, be able to begin providing service seven days after the filing of this notice. RBMN currently hopes to begin service after January 1, 2006. RBMN requests that the requested waiver be granted on an expedited basis so as to allow RBMN to begin service over the Rail Line at that time.

Respectfully submitted,



ERIC M. HOCKY  
GOLLATZ, GRIFFIN & EWING, P.C.  
Four Penn Center, Suite 200  
1600 John F. Kennedy Blvd.  
Philadelphia, PA 19103-2808  
(215) 563-9400

Attorneys for  
Reading Blue Mountain and Northern Railroad  
Company

Dated: November 29, 2005

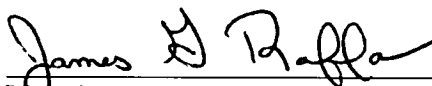
**VERIFICATION**

JAMES G. RAFFA, VP REAL ESTATE  
I, ~~(Name)~~, ~~(Title)~~ of READING BLUE MOUNTAIN AND NORTHERN

RAILROAD COMPANY verify under penalty of perjury that the foregoing is true and correct.

Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on NOVEMBER 29, 2005.

  
\_\_\_\_\_  
(Name)

James G. Raffa  
VP Real Estate



**EXHIBIT A**

**MAP**

LAUREL  
DET.

M.P. 0.0



M.P. 5.5

Newton Jet

**EXHIBIT B**

**CAPTION SUMMARY**

SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34785

**READING BLUE MOUNTAIN AND NORTHERN RAILROAD COMPANY  
- OPERATION EXEMPTION -  
LOCUST VALLEY LINE.**

Reading Blue Mountain and Northern Railroad Company ("RBMN"), a Class III carrier, has filed a Notice of Exemption to operate approximately five miles of rail line currently owned by Locust Valley Coal Company d/b/a Locust Valley Line (Locust Valley), and currently out of service, between milepost 0.0 at Laurel Jct. (also known as Morea Jct.) in Delano Township, and milepost 5.5 beyond Newton Jct., just south of Mahanoy City, in Schuylkill County, Pennsylvania. This notice is related to the notice of exemption served by the Board on January 21, 2005 in Locust Valley Coal Company d/b/a Locust Valley Line - Acquisition Exemption - Rail Lines in Schuylkill County, PA, STB Finance Docket No. 34642.

Comments must be filed with the Board and served on RBMN's representative, Eric M. Hocky, Esquire, Gollatz, Griffin & Ewing, P.C., Four Penn Center, Suite 200, 1600 John F. Kennedy Blvd., Philadelphia, PA 19103-2808; (215) 563-9400.

The Notice is filed under 49 C.F.R. §1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.